

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

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MEMORANDUM

TO: North Adams Retirement Board

FROM: Joseph E. Connarton, Executive Director

RE: Approval of Funding Schedule

DATE: November 27, 2017

This Commission is hereby furnishing you with approval of the revised funding schedule you recently adopted (copy enclosed). The schedule assumes payments are made on July 1 of each fiscal year. The schedule is effective in FY18 (since the amount under the prior schedule was maintained in FY18) and is acceptable under Chapter 32.

The revised schedule reflects a reduction in the investment return assumption from 7.50% to 7.40%.

If you have any questions, please contact PERAC's Actuary, Jim Lamenzo, at (617) 666-4446, extension 921.

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**North Adams Retirement System
January 1, 2017 Actuarial Valuation**

Amortization of Unfunded Liability 4.5% increasing until FY29

<u>Fiscal Year</u>	<u>Normal Cost</u>	<u>Net 3(8)(c)</u>	<u>Amort. UAL</u>	<u>Amort. of 2002 ERI</u>	<u>Amort. of 2003 ERI</u>	<u>Total Cost</u>	<u>Unfunded Act. Liab.</u>	<u>Total Cost % Increase</u>
2018	1,048,071	100,000	1,837,213	12,417	68,520	3,066,221	20,015,834	
2019	1,095,234	100,000	1,936,296	12,913	71,261	3,215,704	19,436,912	4.9%
2020	1,144,520	100,000	2,023,429	13,430	74,111	3,355,490	18,705,259	4.3%
2021	1,196,023	100,000	2,114,484	13,967	77,076	3,501,550	17,822,266	4.4%
2022	1,249,844	100,000	2,209,635	14,526	80,159	3,654,164	16,772,378	4.4%
2023	1,306,087	100,000	2,309,069	15,107	83,365	3,813,628	15,538,695	4.4%
2024	1,364,861	100,000	2,412,977	15,711	86,700	3,980,249	14,102,859	4.4%
2025	1,426,280	100,000	2,521,561	16,340	90,168	4,154,348	12,444,944	4.4%
2026	1,490,462	100,000	2,635,031	16,993	93,774	4,336,261	10,543,324	4.4%
2027	1,557,533	100,000	2,753,608	17,673	97,525	4,526,339	8,374,543	4.4%
2028	1,627,622	100,000	2,877,520	18,380	101,426	4,724,948	5,913,161	4.4%
2029	1,700,865	100,000	3,007,008	19,115	105,483	4,932,472	3,131,607	4.4%
2030	1,777,404	100,000				1,877,404	0	

All amounts assume payments will be made July 1 of each fiscal year.

Normal cost includes expenses of \$300,000 and is assumed to increase 4.5% each year.

FY18 appropriation maintained at the same level as the prior schedule.